

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 503 – SB 918

February 15, 2019

SUMMARY OF BILL: Authorizes the East Tennessee Regional Agribusiness Marketing Authority (ETRAMA) to develop, market, and promote facilities for warehousing, distribution, light manufacturing, and agribusiness purposes. Authorizes ETRAMA to enter into lease purchase agreements and removes tax exempt status for any ETRAMA property sold under a lease purchase agreement.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Potential permissive increases in the East Tennessee Regional Agribusiness Marketing Authority’s revenue and expenditures, as well as possible increases in state and local revenue. Due to multiple unknown factors, the timing and extent of any such increases cannot be quantified with reasonable certainty.

Assumptions:

- Expanding the ETRAMA’s purpose to include furthering the economy and growth of the region served by ETRAMA by developing, marketing, and promoting facilities for warehousing, distribution, light manufacturing, and agribusiness purposes could result in multiple fiscal and economic impacts to the state and local government.
- To the extent ETRAMA builds and manages such facilities, ETRAMA would incur debt for financing such developments, as well as revenue streams to support the debt services. This could result in additional economic activity in the region served by ETRAMA. Due to multiple unknown factors, the timing and extent of any such impacts cannot be quantified with reasonable certainty.
- Authorizing the sale of the ETRAMA campus properties through lease purchase agreements and establishing that any such property sold is subject to state and local taxes could result in an increase in revenue for ETRAMA as well as state and local government.
- Currently, ETRAMA’s properties and any income and revenue derived from such properties are exempt from all state and local taxes. If, pursuant to this legislation, ETRAMA sells any of its properties to another person or entity, such real estate and any personal property of the new owner will be subject to state and local taxes, including property taxes.

- Due to multiple unknown factors, any impact on ETRAMA's and state and local revenue cannot be quantified with reasonable certainty.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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